advice in this direction. In conclusion, it is once more my pleasant duty to express my grateful acknowledgment of the zealous manner in which the duties entrusted by the Council were discharged by the Members of the Standing Finance Committee to which we look and not in vain for advice and support.

President's Statement on the budget for 1105 M. E.

President.—Now that the Finance Member has explained the budget, I would like, with your kind permission, to make a short statement thereon. As is usually the case with our Finance Member, the speech delivered by him contains matters of great interest and importance, and his exposition thereof is concise, clear and convincing. Let me, therefore, congratulate him most heartily for his successful performance on this occasion also.

I do not wish to travel the ground over again, but there are certain features in the financial position upon which I desire to lay special emphasis. Let me, in the first place, advert to the so-called State surplus, which, at the end of 1104, is expected to amount to Rs. 88·62 lakhs. It has been, at times, designated a "hoarded surplus" implying thereby that the Government was pursuing an unsound financial policy, and such hoarding up was the result of bankruptcy in statesmanship. It has not infrequently been hinted that the present Executive Head of the administration is pursuing an over-cautious policy, always counting his rupees, annas and pies, and he wishes to make a huge total at the end of the year without caring for the progress of the State particularly on the development side. I made an earnest endeavour to investigate this charge and resolved upon examining with the Finance Member the facts as they really stood. From the figures given in the Finance Member's speech, it will appear that, after taking into account the amount required for ordinary treasury requirements, departmental advances and giving credit for long-term investments, etc., there is only a balance of Rs. 37·15 lakhs available, and, out of this, a sum of Rs. 28 lakhs will have to be paid as reclamation charges of the backwaters around Venduruthi as soon as the demand is made therefor. When the figures are examined and the true facts ascertained, it will be found that we have no reason to congratulate ourselves on "hoarded surpluses." On the other hand, the Government has been obliged to go in for a loan of a substantial amount for carrying out the scheme of conversion of the Railway into broad-gauge. Such being the real situation, I would request the Hon'ble Members not to go away with the impression that the Government has a hoarded surplus and is pursuing the unsound policy of making additions to the

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hoarded surplus year after year. It is, in my view, high time that the Government seriously consider the advisability of following a sound principle of finance, namely, that it should have as a reserve an amount equal to one year's receipts, a principle acted upon in progressively administered States. If the question were asked, 'has the Cochin Government any reserve', the only answer now possible is 'no'. I do not mean to say that, for the purpose of constituting a reserve, the essential needs of a progressive administration should be neglected; that is far from my object. All that I want to draw attention to at this stage is that, in criticising what is called the "hoarded surplus", the foregoing facts may be borne in mind and no charge which could not bear scrutiny be laid against the Government.

As regards the revised budget of 1104, we have been somewhat fortunate on the receipt side, Customs, Railway, Forest and Tramway having materially contributed to the increase. In regard to the increased receipts under 'Tramway,' a word of explanation is necessary in view of the discussion we had at the meeting of the Standing Finance Committee. It is only in the current year that credit is given to the Tramway Department for the transport of timber for Government purposes, and this is as it ought to be. It was asked why the Tramway should be given any credit at all for transporting Government timber. Inasmuch as Tramway has been constituted as a separate Department, it has every right to have its receipts properly credited. Supposing we employed a private agency for the purpose of such transport, will we not be liable to pay to that agency the charges on account of Government transport? For account purposes, the Tramway has to be considered more or less on a similar footing.

The estimate of disbursements for 1104 has been fairly correct. Under the heads of "Water-supply" and "Uplift of Depressed Classes", larger amounts of expenditure had to be incurred, but under "Public Works", there was some decrease due to the non-utilisation of a major portion of a lump sum of one lakh of rupees on account of irrigation. It will not, in my opinion, be a wise policy to spend money before a careful investigation of the projects is made, and this is bound to take some time. In regard to one of the projects, namely, the bunding up of the Konath river about which the investigation has been completed, the scheme could not be pushed through by reason of the necessity for co-operation on the part of the Travancore Government, and we are every day expecting the assent of that Government to our estimate. I may assure the Hon'ble Members that the scheme of irrigation is one dear to the heart

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of the Government and all possible endeavour is made to carry out the necessary schemes as expeditiously as possible. Once the essential investigation has been carefully made and completed, no time would be lost in putting the full scheme into immediate execution.

So far as the budget estimate for 1105 is concerned, you will all be struck with the notable increase under receipts in 'Abkari'. Our energetic Superintendent of Excise used to report, along with the submission of the sale lists for confirmation, that the results were satisfactory as compared with those of the previous year, taking particular care to note the amount of increase in each case. The total amount of bid in the several sales showed an increase of over a lakh of rupees, and I do not know whether or not our Hon'ble friend should be congratulated on this result. I should, for my part, consider that he has, at any rate, been acting up to one part of the formula, namely, "maximum revenue", and it is not now possible to say how far the other part of the formula, "minimum consumption", has been attained.

On the disbursement side, it will be observed that an amount of Rs. 5,000 which was provided in the budget estimate of 1104 has been repeated in the estimate of 1105 under "Training in Pisciculture, etc". It took some time for the Government to obtain useful information connected with this training, and they have now been in a position to formulate a definite scheme on the subject. It was often represented that the Government were not taking the necessary steps for utilising this amount and the fear was expressed that the amount will be allowed to lapse. I had to hold out an assurance more than once that the matter was under earnest investigation and that the amount would on no account be allowed to lapse, and even if nothing were done in the current year, the provision would be repeated in the succeeding year. Now that final orders have been passed on the subject, there need be no apprehension of delay in regard to the utilisation of the provision. As regards the Tramway, the proposal to continue its working as a Government concern for some years more can be carried into effect in view of the conclusions reached by the Special Reconnoitring Survey Officer. As the report has only just been received, the Government had not the opportunity to examine the contents carefully, but I have no doubt that there is enough stock in our forests for giving work to the Tramway for some years more. Liberal provision has been made for meeting the growing demand under "Education". Under "Sanitation and Conservancy", ample provision has been made by way of contribution to Municipalities. A sum of Rs. 25,000 has been provided by way of

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contribution to the four Municipalities in addition to the contribution of Rs. 2,050 to Trichur, and the Government propose to utilise this amount for the maintenance of the trunk roads in the Municipal towns which I consider would be a great relief to these Municipalities. Without casting any reflection upon the good intentions of the Municipal authorities to keep their trunk roads in order, it has to be noted with regret that the town roads, especially in Trichur and Ernakulam, are not in a satisfactory condition, and the question of want of funds has invariably been pleaded as an excuse for this undesirable state of things. The moment we pass from the D. P. W. roads to the Municipal roads, the difference is keenly felt, and the Government have considered it proper to maintain these trunk roads within the Municipal areas at Government cost and relieve the Municipalities of the great burden now resting on their shoulders. As to what these trunk roads are will soon be settled in consultation with the Chairmen of the respective Municipalities. A sum of Rs. 3 lakhs has been allotted under "Public Works" for the construction of the Maharaja's College building at Anappara. After taking considerable time over this question, the Government have finally resolved to push through this scheme, and both the Engineering and the Education Members are in active co-operation in regard to the final design and estimates. A hint was thrown out at the meeting of the Standing Finance Committee that this provision would be strongly opposed, but, I must point out that the Government were on more than one occasion found fault with for not coming to a decision earlier, and I have reason to think that, if the matter of shifting the College to Anappara were further delayed, the University Commission is sure to make a strong protest. The grant has been provided for after careful consideration, and care will be taken to see that no portion of this sum is diverted for any other purpose. In regard to the provision of Rs. 15 thousand for investigation in regard to the Hydro-Electric Scheme, I think it is time to make an earnest endeavour in tapping this valuable resource on which depends to a considerable extent the material prosperity of our State. It is felt that our commitments in regard to Harbour and Railway are great, but that should not stand in the way of developing this important resource of the State. Consistently with our policy of developing irrigation facilities wherever possible, an allotment of Rs. 1 lakh 54 thousand has been made, and strenuous endeavours will be made to utilise this amount as far as possible. As regards the provision of Rs. 25,000 for the Trichur Government Trade School equipments, Rs. 20,000 to the Mattancheri Hospital and the increased provision under

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"Uplift of the Depressed Classes,' I do not think that there would be any two opinions regarding the necessity for grants in these useful directions. The lump provision of Rs. 2,50,000 for the re-organisation of Departments in accordance with the orders passed on the report of the Special Finance Committee must, I am sure, attract your attention, and I have already received cut motions for raising debate on the delay in passing orders on the said report. On this point I have only to observe at this stage that the Government are equally anxious for the early disposal of the matter and that the concluding stage in their deliberation has been almost reached. I have reason to think that the matter will not be delayed further than the commencement of the next year.

What I consider necessary to bring to your special notice at this stage has now been stated. I fully trust that, in the general discussion on the various demands, useful observations of a practical nature will be made and as a result thereof the hands of the Government will be strengthened in giving effect to its settled policy of promoting the happiness and prosperity of the people of Cochin.

The work for the day is brought to a close. We will now rise.

The Council rose for the day at 4 minutes to 2 p.m.

T. K. KRISHNA MENON,
Secretary to the Council.

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